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HOUSE BILL NO. 304

House Amendments in [] - February 3, 2026

A BILL to amend and reenact § 6.2-419 of the Code of Virginia, relating to the assumption of a mortgage or deed of trust; conventional home mortgage loans required to include assumption provisions.

Patron Prior to Engrossment—Delegate Sullivan

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:**1. That § 6.2-419 of the Code of Virginia is amended and reenacted as follows:****§ 6.2-419. Assumption of mortgage or deed of trust; disclosure of terms; certain loans to include assumption provisions.**

A. An owner of residential real estate that is improved by the construction thereon of housing consisting of four or fewer dwelling units and encumbered by a mortgage or deed of trust shall have the right, upon written request to any holder of the obligation secured by the mortgage or deed of trust, to receive a written disclosure of whether the holder will permit a qualified purchaser to assume the mortgage or deed of trust. If the answer is in the affirmative, the holder shall disclose the following information regarding the terms of such assumption:

1. The rate of interest to be assumed, which may vary with an exterior standard;
2. The balance of the escrow account, if any;
3. Any fees and charges to be assessed by the holder against the seller and buyer in connection with the assumption;
4. Usual limitations or requirements placed on the assumption; and
5. Other terms and conditions of the assumption deemed pertinent by the holder.

B. The holder shall state the time period during which the terms disclosed pursuant to subsection A shall be valid, together with any limitations thereon.

C. Any holder receiving such a written request from an owner shall respond in writing within 10 business days of the receipt of the request.

D. Any holder receiving a second or subsequent written request with respect to the same mortgage or deed of trust within any 12-month period may charge a fee, not to exceed \$15, for each additional request. The fee shall be paid in advance.

E. Any lender, for any conventional home mortgage loan secured on or after July 1, 2026, by a mortgage or deed of trust on owner-occupied residential real estate [located in the Commonwealth] that is improved by the construction thereon of housing consisting of four or fewer dwelling units, shall include provisions in such loan to allow for any of the existing borrowers to purchase the property interest of another borrower on the loan by assuming the seller's portion of the mortgage in connection with a decree of annulment or divorce if the assuming borrower qualifies for the underlying loan, as determined by the lender. The lender shall disclose such assumption provision in writing to a conventional home mortgage loan applicant [~~before the completion of the~~ within three days of receiving a completed] loan application. This subsection shall not apply to any conventional home mortgage loan that is otherwise required to be assumable in connection with a divorce under state or federal law.

For the purposes of this subsection, "conventional home mortgage loan" means any loan made primarily for personal, family, or household purposes that is secured by a mortgage or deed of trust on owner-occupied residential real estate that is improved by the construction thereon of housing consisting of four or fewer dwelling units. "Conventional home mortgage loan" does not include a mortgage loan that is insured or guaranteed by the federal government.

ENGROSSED

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